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**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Application of San Diego Gas & Electric Company (U902E) for Approval of Senate Bill 350 Transportation Electrification Proposals Regarding Medium and Heavy-Duty Electric Vehicles and a Vehicle-To-Grid Pilot.

Application 18-01-012

**SCOPING MEMO AND RULING OF ASSIGNED COMMISSIONER AND JOINT RULING WITH ADMINISTRATIVE LAW JUDGES**

**Summary**

This Scoping Memo and Ruling (Scoping Memo) sets forth the category, issues, need for hearing, schedule, and other matters necessary to scope this proceeding pursuant to Public Utilities Code § 1701.1 and Article 7 of the Commission’s Rules of Practice and Procedure.<sup>1</sup>

**1. Background**

On January 22, 2018, San Diego Gas & Electric Company (SDG&E) filed an application requesting Commission approval of a medium- and heavy-duty electric vehicle charging infrastructure program and a vehicle-to-grid pilot, and seeking authorization for cost recovery of \$152.3 million. A prehearing conference was set by a ruling dated March 5, 2018. On March 15, 2018, the

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<sup>1</sup> California Code of Regulations, Title 20, Division 1, Chapter 1; hereinafter, Rule or Rules.

prehearing conference was held to determine parties, discuss the scope, the schedule, and other procedural matters.

## **2. Scope**

There are two threshold matters needed to be addressed in this proceeding.

First, the Office of Ratepayer Advocates (ORA); jointly, The National Diversity Coalition (NDC) and the National Asian American Coalition (NAAC); and The Utility Reform Network (TURN) protested the application, arguing that SDG&E's application is premature. All protestants maintain that the timing of the application conflicts with the guidance in the September 16, 2017 Assigned Commissioner's Ruling in Rulemaking (R.) 13-11-007 (Guidance Ruling).<sup>2</sup> The protestants assert that the Guidance Ruling directs the utilities<sup>3</sup> to file their first transportation electrification application by January 20, 2017 and underscores that the utilities "may be directed in a future decision to file additional [transportation electrification] applications no later than January of 2020, in consideration of additional results from the first phase of applications."<sup>4</sup>

While we agree that SDG&E was not directed to file the application, there is nothing in the Guidance Ruling that prohibits SDG&E from filing an application. Furthermore, SDG&E argues in its reply to the protests that "restricting the ability of utilities to submit applications to increase adoption of

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<sup>2</sup> ORA Protest at 2-3; NDC and NAAC Protest at 3-5, and TURN Protest at 3-5.

<sup>3</sup> The Guidance Ruling specifies the utilities as Pacific Gas & Electric Company, SDG&E, and Southern California Edison Company. Guidance Ruling at 2.

<sup>4</sup> Guidance Ruling at 2.

[electric vehicles] and inhibit the ability to address [greenhouse gases] is the wrong market signal.”<sup>5</sup> We do not consider SDG&E’s application to be in violation of the Guidance Ruling and move forward to review the application on its own merits.

Second, protestants suggest the Commission should delay the review of this application until after a determination is made in the initial round of applications in Application (A.) 17-01-020 et al. ORA also notes the overlap of San Diego Gas & Electric’s Medium- and Heavy-Duty Program with transportation electrification priority review projects, and recommends that the Commission wait until data from these projects is available to be leveraged in order to inform SDG&E’s proposed larger scale program.<sup>6</sup> TURN requests the Commission to provide intervenors sufficient time to review and analyze a final decision on Southern California Edison Company and PG&E’s Medium- and Heavy-Duty Transportation Electrification programs currently pending before the Commission.<sup>7</sup>

Delaying the service of intervenor testimony to ensure that parties can incorporate determinations from A.17-01-020 is reasonable. However, as we stated above, we will review this application on its own merits.

Having addressed the two threshold matters and based on the application, parties’ protests, responses, replies, and the discussion at the prehearing conference, the following issues are within the scope of this proceeding:

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<sup>5</sup> SDG&E Reply at 5.

<sup>6</sup> ORA Protest at 3.

<sup>7</sup> TURN Protest at 8.

- a) Do the proposed projects meet the Senate Bill (SB) 350 and requirements for Transportation Electrification from the September 14, 2016 Assigned Commissioner Ruling? Should the proposed projects be modified in any way to comply with these requirements?
- i) Do the proposed projects support widespread Transportation Electrification and align with California's zero emission vehicles initiatives and the state's greenhouse gas emissions reduction target?
- ii) Do the proposed projects quantify greenhouse gas and other emissions reduction benefits?
- iii) What cost recovery mechanism (*e.g.*, future cost recovery in general rate cases; balancing account; advice letter tier) should be adopted for these proposals?
- iv) Do the proposed projects, including utility ownership of electric vehicle service equipment, adversely impact competition?
- v) Do the proposed projects allow participation by customers of community choice aggregators and energy service providers?
- vi) What types of performance accountability measures should the proposed projects have?
- vii) Are the proposed projects reasonable and in the ratepayers' interests? (*See* Public Utilities Code §§ 740.3 and 740.8) Are the proposed projects an appropriate use of ratepayer funds? Do the proposed projects equitably benefit ratepayers, *i.e.*, do the benefits accrue to both participating and non-participating customers? What specific ratepayer benefits will result from the proposals? (*See* Public Utilities Code § 740.8.)
- Have the projects addressed rate design issues including, for example, demand charges?
  - Do the proposed projects leverage funding by other sources?
  - Do the proposed projects address the safety concerns set forth in Public Utilities Code §§ 740.8(a) and 740.12(b)?
  - Do the proposed projects minimize stranded assets?
  - Do the proposed projects minimize free-ridership?

- b) Do the projects minimize costs and maximize benefits?
- c) Are the proposed projects scalable?
- d) What data gathering, reporting, and evaluation requirements should be imposed?
- e) Do the proposed projects adequately address disadvantaged communities, low-income communities and moderate-income communities? (See SB 350 and SB 1275 Charge Ahead California) Are there any other sectors the projects should target?
- f) Do the proposed projects align with the Commission's Distributed Energy Resources Action Plan?

### **3. Categorization**

The Commission in Resolution ALJ 176-3412, issued on February 8, 2018, preliminarily determined that the category of the proceeding is ratesetting.

This Scoping Memo confirms the categorization. Anyone who disagrees with this categorization must file an appeal of the categorization no later than ten days after the date of this scoping ruling. (See Rule 7.6.)

### **4. Need for Hearing**

The Commission in Resolution ALJ 176-3412 also preliminarily determined that hearings are required.

This Scoping Memo finds hearings necessary.

### **5. Ex Parte Communications**

In a ratesetting proceeding such as this one, *ex parte* communications with the assigned Commissioner, other Commissioners, their advisors and the

Administrative Law Judges are only permitted as described at Public Utilities Code § 1701.3(h) and Article 8 of the Rules.<sup>8</sup>

## **6. Intervenor Compensation**

Pursuant to Public Utilities Code § 1804(a)(1), a customer who intends to seek an award of compensation must file and serve a notice of intent to claim compensation by April 16, 2018, 30 days after the prehearing conference.

## **7. Assigned Commissioner, Presiding Officer**

Carla Peterman is the assigned Commissioner and Kelly A. Hymes and Sasha Goldberg are the assigned Administrative Law Judges. Pursuant to Public Utilities Code § 1701.3(b) and Rule 13.2(b), Kelly A. Hymes and Sasha Goldberg are designated as the Presiding Officers.

## **8. Filing, Service and Service List**

The official service list has been created and is on the Commission's website. Parties should confirm that their information on the service list is correct, and serve notice of any errors on the Commission's Process office, the service list, and the Administrative Law Judges. Persons may become a party pursuant to Rule 1.4.

When serving any document, each party must ensure that it is using the current official service list on the Commission's website.

This proceeding will follow the electronic service protocols set forth in Rule 1.10. All parties to this proceeding shall serve documents and pleadings using electronic mail, whenever possible, transmitted no later than 5:00 p.m., on

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<sup>8</sup> Interested persons are advised that, to the extent that the requirements of Rule 8.1 *et seq.* deviate from Public Utilities Code Sections 1701.1 and 1701.3 as amended by SB 215, effective January 1, 2017, the statutory provisions govern.

the date scheduled for service to occur. Rule 1.10 requires service on the Administrative Law Judges of both an electronic and a paper copy of filed or served documents.

Persons who are not parties but wish to receive electronic service of documents filed in the proceeding may contact the Process Office at [process\\_office@cpuc.ca.gov](mailto:process_office@cpuc.ca.gov) to request addition to the "Information Only" category of the official service list pursuant to Rule 1.9(f).

## **9. Discovery**

Discovery may be conducted by the parties consistent with Article 10 of the Commission's Rules. Any party issuing or responding to a discovery request shall serve a copy of the request or response simultaneously on all parties. Electronic service under Rule 1.10 is sufficient, except Rule 1.10(e) does not apply to the service of discovery and discovery shall not be served on the Administrative Law Judges. Deadlines for responses may be determined by the parties. Motions to compel or limit discovery shall comply with Rule 11.3.

## **10. Public Advisor**

Any person interested in participating in this proceeding who is unfamiliar with the Commission's procedures or who has questions about the electronic filing procedures is encouraged to obtain more information at <http://consumers.cpuc.ca.gov/pao/> or contact the Commission's Public Advisor at 1-866-849-8390 or 415-703-2074 or 1-866-836-7825 (TTY), or send an e-mail to [public.advisor@cpuc.ca.gov](mailto:public.advisor@cpuc.ca.gov).

**11. Schedule**

The adopted schedule is:

EVENT	DATE
Public Participation Hearing or Commissioner-led Community Meeting	To Be Noticed in a Future Ruling
Rates Workshop	To Be Noticed By the Utilities in Collaboration with Energy Division
Direct Testimony served and submitted to Supporting Documents	August 17, 2018
Rebuttal Testimony served and submitted to Supporting Documents	September 14, 2018
Cross-Examination estimates and list of disputed issues served	September 28, 2018
Evidentiary Hearings	October 22-26, 2018, 10:00 am Commission Courtroom 505 Van Ness Avenue San Francisco, California
Closing Briefs served and filed	November 16, 2018
Request for Final Oral Argument served and filed	Concurrent with Closing Briefs
Reply Briefs served and filed Record submitted	December 7, 2018

The proceeding will be submitted upon the filing of reply briefs, unless the assigned Commissioner or the assigned Administrative Law Judges directs further evidence or argument.



The assigned Commissioner or assigned Administrative Law Judges may modify this schedule as necessary to promote the efficient management and fair resolution of this proceeding.

It is the Commission's intent to complete this proceeding within 18 months of the date this proceeding was initiated. This deadline may be extended by order of the Commission. (Public Utilities Code § 1701.5(a).)

If there are any workshops in this proceeding, notice of such workshops will be posted on the Commission's Daily Calendar to inform the public that a decision-maker or an advisor may be present at those meetings or workshops. Parties shall check the Daily Calendar regularly for such notices.

## **12. Settlement and Alternative Dispute Resolution**

While the schedule does not include specific dates for settlement conferences it does not preclude parties from meeting at other times provided notice is given consistent with our Rules.

The Commission offers Alternative Dispute Resolution (ADR) services consisting of mediation, facilitation, or early neutral evaluation. Use of ADR services is voluntary, confidential, and at no cost to the parties. Trained Administrative Law Judges serve as neutrals. The parties are encouraged to visit the Commission's ADR webpage at <http://www.cpuc.ca.gov/adr/>, for more information.

If requested, the assigned Administrative Law Judges will refer this proceeding, or a portion of it, to the Commission's ADR Coordinator. Alternatively, the parties may contact the ADR Coordinator directly at [adr\\_program@cpuc.ca.gov](mailto:adr_program@cpuc.ca.gov). The parties will be notified as soon as a neutral has been assigned; thereafter, the neutral will contact the parties to make pertinent

scheduling and process arrangements. Alternatively, and at their own expense, the parties may agree to use outside ADR services.

**13. Final Oral Argument**

A party in a ratesetting proceeding in which a hearing is held has the right to make a Final Oral Argument before the Commission, if the argument is requested within the Closing Brief. (Rule 13.13.)

**14. Outreach Pursuant to Public Utilities Code Section 1711(a)**

Public Utilities Code § 1711(a) states:

Where feasible and appropriate, except for adjudication cases, before determining the scope of the proceeding, the commission shall seek the participation of those who are likely to be affected, including those who are likely to benefit from, and those who are potentially subject to, a decision in that proceeding. The commission shall demonstrate its efforts to comply with this section in the text of the initial scoping memo of the proceeding.

The Commission's Outreach Office conducted outreach pursuant to Public Utilities Code § 1711(a) by providing information about the application in the Commission's February 2018 Filings newsletter. The newsletter was distributed electronically to most elected and executive heads of local governments statewide, as well as certain public works directors, local councils of governments, community organizations, and other parties who have expressed interest in receiving the newsletter. It is also posted on the Business and Community Outreach Office's website.

Specifically within or near the SDG&E service area, the newsletter was sent directly to 54 contacts representing San Diego County and the San Clemente area, including all county supervisors and their aides, as well as the California League of Cities and the California Air Resources Board.

Additionally, the December 2017 newsletter included an in-depth front-page article on the utilities' (including SDG&E's proposal under the similar A.1701020) efforts to comply with SB 350.

**IT IS RULED:**

1. The category of this proceeding is ratesetting. Appeals as to category, if any, must be filed and served within ten days from the date of this Scoping Memo.
2. Administrative Law Judges Kelly A. Hymes and Sasha Goldberg are designated as the Presiding Officers.
3. The scope of the issues for this proceeding is as stated in "Section 2. Scope" of this ruling.
4. Hearing is necessary.
5. The schedule for the proceeding is set in "Section 11. Schedule" of this ruling. The assigned Commissioner or Presiding Officers may adjust this schedule as necessary for efficient management and fair resolution of this proceeding.
6. With limited exceptions that are subject to reporting requirements, ex parte communications are prohibited. (*See* Public Utilities Code § 1701.3(h); Article 8 of the Commission's Rules of Practice and Procedure.)

7. A party shall submit request for Final Oral Argument in its closing briefs, but the right to Final Oral Argument ceases to exist if hearing is not needed.

8. Parties shall submit all testimony [and other types of documents] to supporting documents as described in Appendix A.

Dated March 30, 2018, at San Francisco, California.

/s/ CARLA J. PETERMAN

Carla J. Peterman  
Assigned Commissioner

/s/ KELLY A. HYMES

Kelly A. Hymes  
Administrative Law Judge

/s/ SASHA GOLDBERG

Sasha Goldberg  
Administrative Law Judge

## APPENDIX A

### 1. Electronic Submission and Format of Supporting Documents

The Commission's web site now allows electronic submittal of supporting documents (such as testimony and work papers).

Parties shall submit their testimony or workpapers in this proceeding through the Commission's electronic filing system.<sup>9</sup> Parties must adhere to the following:

- The Instructions for Using the "Supporting Documents" Feature, (<http://docs.cpuc.ca.gov/SearchRes.aspx?docformat=ALL&DocID=158653546>) and
- The Naming Convention for Electronic Submission of Supporting Documents (<http://docs.cpuc.ca.gov/SearchRes.aspx?docformat=ALL&DocID=100902765>).
- The Supporting Document feature does not change or replace the Commission's Rules of Practice and Procedure. Parties must continue to adhere to all rules and guidelines in the Commission's Rules of Practice and Procedures including but not limited to rules for participating in a formal proceeding, filing and serving formal documents and rules for written and oral communications with

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<sup>9</sup> These instructions are for submitting supporting documents such as testimony and work papers in formal proceedings through the Commission's electronic filing system. Parties must follow all other rules regarding serving testimony. Any document that needs to be formally filed such as motions, briefs, comments, etc., should be submitted using Tabs 1 through 4 in the electronic filing screen.

Commissioners and advisors (i.e. “ex parte communications”) or other matters related to a proceeding.

- The Supporting Document feature is intended to be solely for the purpose of parties submitting electronic public copies of testimony, work papers and workshop reports (unless instructed otherwise by the Administrative Law Judge), and does not replace the requirement to serve documents to other parties in a proceeding.
- Unauthorized or improper use of the Supporting Document feature will result in the removal of the submitted document by the CPUC.
- Supporting Documents should not be construed as the formal files of the proceeding. The documents submitted through the Supporting Document feature are for information only and are not part of the formal file (i.e. “record”) unless accepted into the record by the Administrative Law Judge.

All documents submitted through the “Supporting Documents” Feature shall be in PDF/A format. The reasons for requiring PDF/A format are:

- Security - PDF/A prohibits the use of programming or links to external executable files. Therefore, it does not allow malicious codes in the document.
- Retention - The Commission is required by [Resolution](#) L-204, dated September 20, 1978, to retain documents in formal proceedings for 30 years. PDF/A is an independent standard and the Commission staff anticipates that programs will remain available in 30 years to read PDF/A.

- Accessibility – PDF/A requires text behind the PDF graphics so the files can be read by devices designed for those with limited sight. PDF/A is also searchable.

Until further notice, the “Supporting Documents” do not appear on the “Docket Card”. In order to find the supporting documents that are submitted electronically, go to:

- Online documents, choose: “[E-filed Documents](#) ”,
- Select “Supporting Document” as the document type, ( do not choose testimony)
- Type in the proceeding number and hit search.

Please refer all technical questions regarding submitting supporting documents to:

- Kale Williams ([kale.williams@cpuc.ca.gov](mailto:kale.williams@cpuc.ca.gov)) 415 703- 3251 and
- Ryan Cayabyab ([ryan.cayabyab@cpuc.ca.gov](mailto:ryan.cayabyab@cpuc.ca.gov)) 415 703-5999

**(END OF APPENDIX A)**